

**DISTRIBUTION/DIRECT ROLLOVER/TRANSFER REQUEST – Governmental 457(b) Plan**  
Refer to the Participant Distribution Guide while completing this form. Use blue or black ink only.

**City of Riverside Deferred Compensation Plan – PTST**

**98246–02**

**Participant Information**

Last Name		First Name		MI
Address – Number & Street				
City		State	Zip Code	
( )		( )		
Home Phone		Work Phone		

Social Security Number			
Account Extension (if applicable)			
E–Mail Address			
<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried	Mo	Day Year
Are you a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No		Date of Birth	

**Distribution Reason**

- ☐ Severance of Employment/☐ Disability – Date: \_\_\_\_\_ ☐ Unforeseeable Emergency ☐ Purchase of Service Credit  
☐ Minimum Distribution (Age 70½)

**Distribution Method**

**Effective Date** \_\_\_\_\_

☐ **Full Distribution**

- ☐ **Partial Distribution** Amount \$ \_\_\_\_\_ ☐ Gross Amount ☐ Net Amount Contribution Source \_\_\_\_\_

☐ **Payment to Self**

- ☐ **Maturing Certificate** Maturity Date \_\_\_\_\_ Apply to all future maturing certificates? ☐ Yes ☐ No

- ☐ **Periodic Payment** Payment Start Date \_\_\_\_\_ Frequency: ☐ Monthly ☐ Quarterly ☐ Semi–Annually ☐ Annually

☐ Payment of an Amount Certain \$ \_\_\_\_\_

☐ Payment of a Period Certain (Years) \_\_\_\_\_

☐ Interest Only Payments, converted to MDR at 70½ – must have all fixed investment options (attach copy of birth certificate or driver's license)

- ☐ **Fixed Annuity** ☐ Full Fixed Annuity ☐ Partial Fixed Annuity \$ \_\_\_\_\_

Purchase Date \_\_\_\_\_ Payment Start Date \_\_\_\_\_ Frequency: ☐ Monthly ☐ Quarterly ☐ Semi–Annually ☐ Annually

☐ Income of an Amount Certain \$ \_\_\_\_\_

☐ Income of a Period Certain (Years) \_\_\_\_\_

The following options have monthly frequencies:

☐ Fixed Life Annuity with Guaranteed Period (attach copy of birth certificate or driver's license) 5, 10, 15, 20 years (circle one)

☐ Fixed Life Annuity – Life Only, No Death Benefit (attach copy of birth certificate or driver's license)

☐ Joint Life (attach copy of both birth certificates or driver's licenses) with ☐ 50% Survivor Benefit ☐ 100% Survivor Benefit

Guaranteed Period ☐ No ☐ Yes If yes, circle one: 5, 10, 15, 20 years

Co-Annuitant's Name \_\_\_\_\_ Relationship \_\_\_\_\_

- ☐ **Direct Rollover/Transfer/Purchase of Service Credit** – Provide company information below.

Amount \$ \_\_\_\_\_ (minimum \$200.00 for rollovers/transfers)

☐ Direct Rollover to an eligible Plan: ☐ Governmental 457(b) ☐ 401(a/k) ☐ 403(b)

☐ Direct Rollover to an IRA

☐ Transfer to a new provider within the same Plan

☐ Purchase of Service Credit

Company or Trustee's Name \_\_\_\_\_ Account Number \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/Zip Code \_\_\_\_\_ Phone Number \_\_\_\_\_



Last Name

First Name

MI

Social Security Number

**Distribution Delivery**☐ **Check** ☐ Alternate Mailing Address – \_\_\_\_\_☐ **Express Delivery** - \$25.00 Non-refundable charge – Available only on full/partial distributions. Express delivery available Monday through Friday only. Not available within Colorado or to P.O. boxes.☐ **ACH** - only available on periodic/fixed annuity payments ☐ Checking Account ☐ Savings Account

Financial Institution Name

Account Number

ABA Number

Financial Institution Mailing Address

City

State/Zip Code

Attach VOIDED  
check here.**Federal and State Income Tax Withholding****Federal** – We will withhold all required federal tax withholding based on your distribution type.

If you would like additional federal tax withheld, indicate amount. \$\_\_\_\_\_ or \_\_\_\_\_%

☐ Do NOT withhold federal tax from my unforeseeable emergency/required minimum distribution.**State** – If you live in a state that mandates state income tax withholding, it will be withheld.☐ Check here if you live in a state that does not mandate state income tax withholding and would like state taxes withheld.

If you would like additional state taxes withheld, indicate amount. \$\_\_\_\_\_ or \_\_\_\_\_%

If you are electing a periodic payment for a period certain of 10 years or longer or for your life expectancy, or a fixed annuity for a period certain of 10 years or longer, you may complete and attach IRS Form W-4P.

**Required Signatures****Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.**

My signature acknowledges that I have received, read, understand and agree to all pages of the Governmental 457(b) Distribution/Direct Rollover/Transfer Request form, the Participant Distribution Guide, and the Special Tax Notice, and affirm that all information that I have provided is true and correct. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the direct rollover dollars, if applicable. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I understand that once my request has been processed, it cannot be changed. In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require that I complete a new form or provide additional or proper information before the transaction can be processed.

**Participant Signature****Date**

I certify that this request is in compliance with applicable Plan provisions and federal law and that the participant has received from me any notices required by law. If the distribution requested on this form is due to disability, I hereby verify that I have received sufficient documentation from the participant to establish that the participant satisfies Code §72(m)(7) definition of disability. I affirm that the Plan has approved a unforeseeable emergency distribution with respect to the participant completing this form.

If a vesting schedule applies and Service Provider does not track vesting for your Plan, please provide the vested percentage. **The participant is entitled to a vested benefit of \_\_\_\_\_% of employer contributions.** If the vested percentage is not provided on this form, the form will be returned for completion.

**Participant** forward to Plan Administrator/Trustee**Plan Administrator** forward to Service Provider at:

BenefitsCorp, Inc./Great-West

P.O. Box 173764, Denver, CO 80217-3764

**Express Address:**

8515 E. Orchard Road, Greenwood Village, CO 80111

**Phone#:** 1-800-701-8255 **Fax#:** 1-303-737-4355**Authorized Plan Administrator/Trustee Signature****Date****Registered Representative Signature and ID****Date**

# PARTICIPANT DISTRIBUTION GUIDE

## City of Riverside Deferred Compensation Plan – PTST – Governmental 457(b) Plan

You may be allowed to transfer funds from your Plan to another employer – sponsored plan or take certain types of distributions while you are still working for your employer. When you sever employment with your employer, you need to make several choices with respect to your distribution options. If you are leaving your job because you are retiring, you may want to begin taking distributions, or you may be required to begin taking distributions in accordance with the minimum distribution requirements. You have different distribution methods from which to choose. If you are changing jobs, you may be able to leave your money in your current Plan, or roll it over to another plan that accepts such rollovers or to an Individual Retirement Account (IRA). Only you can make this very personal decision after careful consideration of several factors including your age, financial needs, and other sources of income.

Please study each of your options described in this Guide in order to make distribution choices that best suit your financial needs. This Guide will assist you in completing the Distribution/Direct Rollover/Transfer Request form (“Distribution Form”) for governmental 457(b) Plans. You should read all pages of this Guide before you begin to complete the Distribution Form. The Guide will assist you in completing each section of the Distribution Form and give you the information you need to make informed decisions regarding your distribution. If you need further clarification about the information discussed in this Guide, call a representative at your Local Service Center. You can also call KeyTalk® and press option 0 to speak with a service representative.

You are strongly urged to consult with an accountant and/or tax advisor before making your final decision and in the preparation of your Distribution Form. While our representatives are able to explain the options to you, they cannot tell you which payment and/or tax – withholding method is best for you. Your local representative or any service center representative will not provide tax or legal advice. Additionally, neither this Guide nor the Distribution Form provides tax or legal advice relevant to your distribution.

Please note that BenefitsCorp, Inc./Great – West (“Service Provider”) cannot release your funds until your employer confirms that you are entitled to take a distribution or make a transfer from the Plan.

**The Distribution Form** – The Distribution Form is divided into several sections, with each section requiring you to provide information or make an election regarding your distribution.

The sections on the Distribution Form are:

- Participant Information
- Distribution Reason
- Distribution Method
- Distribution Delivery
- Federal and State Income Tax Withholding
- Required Signatures

**Note: If you have more than one account or plan number, you must complete a separate Distribution Form for each account or plan number. If you are a beneficiary, please complete a Death Benefit Claim Request form rather than a Distribution Form.**

**Incomplete or Inaccurate Information** – In the event that any section of the Distribution Form is incomplete or inaccurate, the Service Provider may not be able to process the transaction requested on the Distribution Form. You may be required to complete a new form or provide additional or proper information before the transaction will be processed.

**Changes to Your Request** – If you make a change to the Distribution Form as you are completing it, you must cross out any previously elected choice(s) and initial all changes. If you do not initial all changes, the Distribution Form may be returned to you for verification.

## **The Distribution Form**

Note: Please use black or blue ink when completing the Distribution Form.

### **Participant Information**

**Last Name, First Name, MI** – Your full name is required in order to properly identify your account.

#### **Address – Number & Street**

**City, State, Zip Code** – If you fill in an address other than the address on the record keeping system, your distribution will be sent to you in accordance with the information you provide on the Distribution Form. You may be contacted to verify this information.

**Home Phone, Work Phone** – This information will allow the Service Provider to contact you in the event that your request is not properly completed.

**Social Security Number** – Your Social Security Number is required to properly identify your account and report withholding information to the Internal Revenue Service.

**Account Extension** – The account extension identifies funds that were transferred to you through a divorce or death. If you have an account extension but left this field blank, the Service Provider will automatically distribute from extension 001.

**E-Mail Address** – Your e-mail address is optional. If you choose to provide the Service Provider with this information it will be kept confidential.

**Married, Unmarried** – Select your appropriate current marital status.

**Date of Birth** – Your date of birth is required to properly process your distribution request.

**Are you a U.S. Citizen?** – Your citizenship status is required to properly tax report your distribution.

### **Distribution Reason**

You must designate a Distribution Reason in order for your distribution request to be processed. The following is a brief explanation of each of the distribution reasons listed on the Distribution Form.

In order to comply with the Internal Revenue Code and applicable federal Treasury regulations, you must begin to receive at least your required minimum distribution by the later of April 1st of the year following the year during which you attained age 70½ or the year during which you sever your employment with your employer. The Internal Revenue Service may impose a 50% excise penalty on amounts that should have been distributed pursuant to the minimum distribution requirements. Service Provider does not assume any responsibility or liability for ensuring that distributions are elected in a timely manner to meet the minimum distribution requirements. It is solely the participant's responsibility to ensure that the required minimum distribution is made in a timely manner and in an appropriate amount. You are strongly urged to consult your tax and/or legal advisor regarding the minimum distribution requirements.

**Severance of Employment/Disability** – If you are taking a distribution from your account due to severance of employment, check the appropriate box. If you have left employment due to your disability, check both boxes. Indicate the date of your severance of employment/disability on the line provided. In addition, you and your physician must complete the Certification of Disability form. A completed Certification of Disability form is required before this distribution will be processed.

If you are requesting a distribution because of a disability and you want your 1099-R coded to reflect your disability as an exception to the 10% early withdrawal penalty tax, you must submit a Certification of Disability form along with the Distribution Form.

**Unforeseeable Emergency**– Check this box only if your Plan administrator has approved your request for an unforeseeable emergency distribution. In most cases, your Plan administrator must sign the Distribution Form to confirm that your unforeseeable emergency distribution has been approved. The approved amount may be reduced by required federal and state tax withholding, as applicable. You may be required to suspend your future contributions to the Plan and should consult your Plan administrator to determine when you will be allowed to resume future contributions into the Plan.

**Purchase of Service Credit** – If your Plan allows you to transfer funds to your governmental defined benefit plan to purchase permissible service credits under the plan, check this box and indicate the amount of the transfer and mailing instructions on the appropriate lines. A check, payable to the Trustee, will be issued for the amount requested. The amount you requested will be transferred as a net amount.

**Minimum Distribution (Age 70½)** – If you are age 70½ or older and you do not want to have your required minimum distribution automatically calculated and distributed, check this box. You will be responsible for calculating your required minimum amount every year and completing this Distribution Form to request payment. If you select Minimum Distribution as your Distribution Reason, you must also select Partial Distribution as your Distribution Method. If you would prefer to have your required minimum distribution amount automatically calculated and distributed to you each year, you must request an Automated Minimum Distribution Request form. Once this form is completed, you will receive your required amount without additional paperwork.

### **Distribution Method**

There are several Distribution Methods that you may choose from on the Distribution Form. Depending on the type of distribution you are requesting, you may need to check more than one box in this section. For example, if you are requesting a rollover of your entire account balance to an IRA, you will check the Full Distribution box and the Direct Rollover box.

**Effective Date** – Your effective date of distribution will be the later of the date you select as your effective date and the date the Service Provider receives a properly completed Distribution Form.

**Full Distribution** – Check this box if you want a full distribution of your account. The full vested value of each investment option will be distributed based on the instructions on the Distribution Form. The Service Provider will liquidate the funds from all investment options in which you have a balance.

**Partial Distribution** – Check this box if you want a partial distribution. Indicate the amount of the partial distribution on the line provided, and select whether the amount of the partial distribution you requested is a gross amount (federal and/or state tax withholding will be taken from this amount), or a net amount (the partial distribution from your account will be increased by the amount of federal and/or state tax withheld). If you have selected Unforeseeable Emergency, or Minimum Distribution as your Distribution Reason and your distribution will be less than your entire account balance, you are electing a partial distribution and must check this box. Partial distributions will be automatically prorated against all of your available investment options. You may specify a Contribution Source (e.g., Employer Contribution, Payroll Contribution, Employer Matching Contribution, Rollover, etc.) on the line provided. Otherwise, your distribution will be prorated against all available Contribution Sources. You are responsible for ensuring that the partial distribution you request meets the minimum distribution requirements, if applicable.

**Maturing Certificate** – By selecting this Distribution Method, your maturing guaranteed certificate will be distributed based on the instructions on the Distribution Form. You can also elect to have all future maturing guaranteed certificates distributed in the same manner by answering yes to “Applies to all future maturing certificates?” question.

**Periodic Payment** – You must choose from the periodic payment options. You must also select a payment start date. The payment start date is the date the funds will be distributed from your account. You can choose any day of the month with the exception of the 29th, 30th or 31st. You must also select the frequency of your payment – monthly, quarterly, semi-annually, or annually. Allow approximately 5 – 10 business days from your payment start date to receive your distribution.

**The Periodic Payment Options are as follows:**

1. **Payment of an Amount Certain** – Designate the dollar amount you wish to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). Your payments will continue until your account balance is depleted. The number of payments you receive will vary depending on the performance of your investments. The payments must be structured so that your account balance will be approximately depleted over a time period not to exceed your life expectancy.
2. **Payment of a Period Certain (Years)** – You will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which you elect to receive payments, the periodic basis that you choose, and the performance of your investment options.

Your payment amount will be calculated by dividing your current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to  $\frac{1}{48}$  of the account balance. The second payment will be  $\frac{1}{47}$  of your balance, the third will be  $\frac{1}{46}$ , and so on.

Your payment is recalculated each time a payment is distributed; therefore, the amount of each payment will never be the same. The payment amount will depend on the account value, which may fluctuate depending upon your chosen investments’ performance. Your balance will be depleted by the end of the term you select. The payment plan must be structured so that it will approximately deplete your account over a time period not to exceed your life expectancy.

3. **Interest Only Payments** – If you choose this periodic payment option, you must have your entire account balance invested in one or more fixed investment options. Your payment will vary depending on the type of fixed investment option in which you are invested and the performance of that option. Your payment will continue until you reach 70½, at which point your periodic payment option will automatically convert to your required minimum distribution and distributions will be made at the same frequency as your Interest Only payments were made.

**Fixed Annuity** – An annuity is a payment option that can guarantee you a retirement income for life or a limited, defined period. You will receive payments on a regular basis. Payments made under a fixed annuity option will not change for as long as the annuity period continues. To request an annuity quote, review the annuity options that follow and call your Service Provider. The insurance company issuing the annuity makes annuity payments and will deduct the applicable tax withholding. Once an annuity option is selected, you may not select a different distribution method or change to another fixed annuity option. To elect this method, the minimum annuity purchase amount is \$2,000.00, and each payment must be at least \$50.00.

If you choose a fixed annuity payment option, you will need to choose a Fixed Annuity Option. You will also need to decide if you want to use your entire account or a portion of your account to purchase an annuity.

**Purchase Date** – The purchase date is the date your funds are withdrawn from your existing account and placed into a fixed annuity. The purchase date may vary depending on your underlying investment options. If the purchase date is not a business day, the purchase date will default to the next business day. The selected purchase date must be prior to the payment start date. The interest rate applied will be the annuity rate in effect on the actual purchase date. If a purchase date is not selected, the purchase date will automatically be the date a properly completed Distribution Form is received by the Service Provider. Your purchase date cannot be more than 12 months from the date you complete the Distribution Form.

**Payment Start Date** – The payment start date is the date your first check is to be received. Your first electronic transfer or check may be delayed 5–10 business days as your annuity account is established. The payment start date for fixed annuities cannot be more than 90 days after the purchase date. You may choose any day of the month with the exception of the 29th, 30th or 31st.

You are responsible for ensuring that the Fixed Annuity Option as elected meets the minimum distribution requirements, if applicable.

**The Fixed Annuity Options are as follows:**

1. **Income of an Amount Certain** – You must indicate a specific amount to be paid to you on a monthly, quarterly, semi-annually, or annual basis. The amount chosen must be received over a period not greater than 20 years. If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.
2. **Income for a Period Certain (Years)** – You will receive payments on a monthly, quarterly, semi-annually, or annual basis for the time period chosen (not greater than 20 years). If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.



3. **Fixed Life Annuity with Guaranteed Period** – You will be paid monthly annuity payments for the guaranteed annuity payment period you select (5, 10, 15, or 20 years) or for your lifetime, whichever is longer. Upon your death, all payments remaining payable under the guaranteed period will be paid to your beneficiary, if any. If you choose this option, you must attach a copy of your birth certificate or driver's license.
4. **Fixed Life Annuity – Life Only, No Death Benefit** – You will be paid monthly annuity payments during your lifetime. Upon your death, all benefit payments cease. If you choose this option, you must attach a copy of your birth certificate or driver's license.
5. **Joint Life** – You will receive monthly annuity payments for your lifetime. Upon the death of the annuitant, the surviving co–annuitant will receive a pre–elected percentage (100% or 50%) of the original payment amount for his or her lifetime. For example, if you elect a joint and 50% annuity, the surviving annuitant will continue to receive fixed monthly payments equaling one half of the amount received while both annuitants were living. You must attach a copy of both annuitants' birth certificates or driver's licenses.

### **Direct Rollover/Transfer/Purchase of Service Credit**

**Direct Rollover to an Eligible Plan or IRA** – You must first be eligible to receive a distribution from your employer's Plan before you can request a direct rollover. You must also determine whether your new employer's plan or IRA accepts eligible rollover distributions.

Beginning in the later of the year that you attain age 70½ or the year during which you sever employment, you may not roll over that portion of a distribution equal to your required minimum distribution amount. If you elect a distribution in the form of an annuity, as of January 1 of the calendar year in which you attain age 70½, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover.

If you are requesting a direct rollover, an eligible rollover distribution is paid from your Plan directly to your new employer's Code section 401(a), 401(k), 403(b) or governmental 457(b) plan or to a Traditional IRA.

Indicate the dollar amount you want to roll over (minimum \$200.00) and provide the company name, account number, mailing address, city, state, zip code and a phone number for your direct rollover. Once the Service Provider has processed a direct rollover, it cannot be returned.

If you choose this Distribution Method, a Form 1099–R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

**Transfer to a New Provider within the Same Plan** – Indicate the dollar amount you want to transfer (minimum \$200.00) and provide the company name, account number, mailing address, city, state, zip code and a phone number for your transfer. Once the Service Provider has processed a transfer, it cannot be returned.

If you are requesting a transfer to another investment provider under your current employer's Plan, check the box "Transfer to a new provider within the same Plan." A check for the amount of the transfer will be made payable to the new investment provider for your benefit. Transfers may only be made to other investment providers within the same plan. This Distribution Method cannot be used to transfer or roll funds over to another plan.

**Purchase of Service Credit** – If your Plan allows you to transfer funds to your governmental defined benefit plan to purchase permissible service credits under the plan, check this box and indicate the amount of the transfer and mailing instructions on the appropriate lines. A check, payable to the Plan Trustee, will be issued for the amount requested. The amount you requested will be transferred as a net amount.

### **Distribution Delivery**

The delivery of your distribution may depend on the Distribution Method that you elected on the Distribution Form. Certain delivery options are not available on all types of distributions. Below is a description of each delivery option.

**Check** – You can receive your distribution by check regardless of the distribution method you selected on the Distribution Form.

**Alternate Mailing Address** – Check this box if you want your check to be sent to an address other than the address you provided on the first page of the Distribution Form.

**Express Delivery** – Express delivery is available for full or partial distributions only. The amount of your distributable check will be reduced by \$25.00 for this service. Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes or addresses within Colorado. Delivery is not guaranteed to all areas.

**Automated Clearing House (ACH)** – Complete this section only if you want your check to be electronically deposited into your checking or savings account. You may not designate a business account or an IRA. For direct rollovers to an IRA, contact your local representative for the appropriate form. You can only select ACH if you selected a periodic payment or a fixed annuity Distribution Method. Complete the bank name, account number, ABA routing number, bank mailing address, city, state, zip code, and attach a voided check to the Distribution Form where indicated.

ACH is a form of electronic funds transfer by which the Service Provider can transfer your payments directly to your financial institution. Allow at least 15 days from the date the Service Provider receives your properly completed Distribution Form to begin using ACH for your payments. Upon receipt of a properly completed Distribution Form, the Service Provider will notify your financial institution of your ACH request with the account information you have provided. The pre-notification process takes approximately 10 days. During the pre-notification process, your financial institution will confirm with the Service Provider that the account and routing information you submitted is correct and that it will accept the ACH transfer. After this confirmation is received, your payments will be transferred to your financial institution within 2 days of the first payment date. If your payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to your financial institution may be delayed accordingly. In the event of a change to your periodic payments, your electronic funds transfer may be subject to a delay, and a check will be sent to your financial institution.

If your financial institution rejects the pre-notification, you will be notified and your checks will be mailed to you until you submit an Electronic Funds Transfer (ACH) form. As a result, it is important that you continue to notify the Service Provider in writing of any changes to your mailing address.

By choosing an ACH credit to your bank account, you are authorizing the Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to your checking or savings account. You are also authorizing your financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. The Service Provider will make payments in accordance with the directions you have specified on the Distribution Form until such time that you notify the Service Provider in writing that you wish to cancel the ACH agreement. You must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of your subsequent payments.

The Service Provider reserves the right to terminate the ACH transfers for any reason and will notify you in the event of such termination by sending notice to your last known address on file with the Service Provider.

It is your obligation to notify the Service Provider of any address or other changes affecting your electronic fund transfers during your lifetime. You are solely responsible for any consequences and/or liabilities that may arise out of your failure to provide such notification.

By selecting an ACH method of delivery, you acknowledge that the Service Provider is not liable for payments made by the Service Provider in accordance with a properly completed Distribution Form. By selecting this method of distribution delivery, you are authorizing and directing your financial institution not to hold any overpayments made by the Service Provider on your behalf, or on behalf of your estate or any current or future joint accountholder, if applicable.

## **Federal and State Income Tax Withholding**

### **Federal Income Tax Withholding**

Distribution withholding will vary depending on the type of distribution you are requesting under the Distribution Reason section of the Distribution Form. You have received and must read the attached Special Tax Notice, which provides additional tax withholding information. You are strongly urged to consult with your tax advisor to determine your appropriate tax withholding.

**Full Distribution** – 20% mandatory federal income tax withholding will apply unless you elect a Direct Rollover of the entire amount.

**Partial Distribution** – 20% mandatory federal income tax withholding will apply unless you elect a Direct Rollover. If your Distribution Reason is Unforeseeable Emergency or Minimum Distribution, a 10% federal tax withholding will apply to your partial distribution unless you elect not to have federal tax withheld by completing a Form W-4P or by marking the appropriate box on the Distribution Form.

**Periodic Payment** – 20% mandatory federal income tax withholding will apply to all amount certain or period certain periodic payments scheduled to continue for less than 10 years.

If your periodic payments are payable over your life expectancy or are scheduled to continue for a period certain of more than 10 years, it is suggested that you complete and attach a Form W-4P to your Distribution Form. If a W-4P is not attached, federal withholding will be made as though you are married with three allowances.

**Fixed Annuity** – 20% mandatory federal income tax withholding will apply to all amount certain or period certain annuity payments that are scheduled to continue for less than 10 years.

If your annuity payments are payable over your life expectancy or are scheduled to continue for a period certain of more than 10 years, it is suggested that you complete and attach a Form W-4P to your Distribution Form. If a W-4P is not attached, federal withholding will be made as though you are married with three allowances.

**Direct Rollover** – Eligible rollover distributions that are directly rolled over are not subject to federal tax withholding.

### **State Income Tax Withholding**

If you live in a state that mandates state income tax withholding, it will be withheld. If you wish to have additional state income tax withheld or live in a state that does not mandate state income tax withholding, you may elect to have an additional amount. Check the appropriate box on the Distribution Form. If you do not attach the appropriate state tax withholding form, if applicable, and you have elected periodic payments or annuity payments as your Distribution Method, state withholding will be made as though you are married with three allowances.

**Income Tax Withholding Applicable to Payments Delivered Outside the U.S.**

If you are a U.S. citizen or a resident alien and your payment is to be delivered outside the U.S. or its possessions, you may not elect out of federal income tax withholding.

If you are a non-resident alien you must attach IRS Form W-8BEN. In general, the withholding rate applicable to your payment is 30% unless a reduced rate applies because your country of citizenship has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. To obtain the IRS Form W-8BEN, call 1-800-TAX-FORM.

Contact your tax professional for more information.

**Required Signatures**

You must sign your Distribution Form. Read the disclosure on the Distribution Form in this section before signing. Once you sign the form, you attest to receiving, reading, understanding and agreeing to all provisions of the Distribution Form, the Special Tax Notice and this Guide.

Your Plan administrator's signature is also required. Your distribution request will not be processed without your Plan administrator's signature.

**Submitting the Distribution Form**

Once you have completed the Distribution Form, forward it to the address indicated on the last page of the Distribution Form under the Required Signatures section.

**Important Note**

Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new plan provisions may be adopted by your Plan. For the most up to date version of this Guide, please visit the Web site at [www.benefitscorp.com](http://www.benefitscorp.com) or call KeyTalk® at 1-800-701-8255.

\*Access to KeyTalk® or the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

For more information about available investment options, including fees and expenses, you may obtain applicable prospectuses and/or disclosure documents from your registered representative. Read them carefully before investing.



## SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS FROM GOVERNMENTAL 457(b) PLANS

This notice explains how you can continue to defer federal income tax on your retirement savings in your Plan and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by your Plan Administrator because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457(b) plan). The Plan is a governmental 457(b) plan.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

### SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

- (1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit (“DIRECT ROLLOVER”); or
- (2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- Your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

### Your Right to Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by your Plan Administrator.

### MORE INFORMATION

#### I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

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#### I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments cannot be rolled over:

**Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

**Required Minimum Payments.** Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

**Unforeseeable Emergency Distributions.** A distribution on account of an unforeseeable emergency cannot be rolled over.

**Distributions of Excess Contributions.** A distribution that is made because legal limits on certain contributions were exceeded cannot be rolled over.

## II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.00.

**DIRECT ROLLOVER to a Traditional IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

**DIRECT ROLLOVER to a Plan.** If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

**DIRECT ROLLOVER of a Series of Payments.** If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

**Change in Tax Treatment Resulting from a DIRECT ROLLOVER.** The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. See the sections below entitled, "Additional 10% Tax May Apply to Certain Distributions."

## III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

### Income Tax Withholding:

**Mandatory Withholding.** If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000.00, only \$8,000.00 will be paid to you because the Plan must withhold \$2,000.00 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000.00 as a taxable payment from the Plan. You must report the \$2,000.00 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.00.

**Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

**Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: Your payment that can be rolled over under Part I above is \$10,000.00, and you choose to have it paid to you. You will receive \$8,000.00, and \$2,000.00 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000.00, you may roll over the entire \$10,000.00 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000.00 you received from the Plan, and you will have to find \$2,000.00 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000.00 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000.00, when you file your income tax return you may get a refund of part or all of the \$2,000.00 withheld.

If, on the other hand, you roll over only \$8,000.00, the \$2,000.00 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000.00 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.00.)

**Additional 10% Tax May Apply to Certain Distributions.** Distributions from this Plan are generally not subject to the additional 10% tax that applies to pre-age-59½ distributions from other types of plans. However, any distribution from the Plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.

Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457(b) plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457(b) plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.

#### **IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

#### **HOW TO OBTAIN ADDITIONAL INFORMATION**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.